

FOR IMMEDIATE RELEASE: Wednesday March 16, 2016

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Lower Snake River dams' benefit-cost ratio of 0.15 well below positive return on investment

Tacoma, WA – March 16, 2015 – Today, Earth Economics released *Economic Analysis of the Four Lower Snake River Dams*, a valuation of the economic benefits and costs of the four Lower Snake River dams in southeast Washington. The four dams on the Lower Snake River generate about 2.8% of the regions hydropower and provide navigational benefits for barge shipments out of Lewiston, ID. The report investigates whether the benefits associated with the dam are outweighed by the costs, such as decreased recreational value, rising operating and maintenance costs, and an increasing surplus of power within the region.

Key findings of the report show that the dams provide a cost benefit ratio of .15, while a free-flowing Lower Snake River may yield a ratio of over 4.3. Due to the dams aging infrastructure, decreased water flows as a result of climate change, and highly competitive power market pricing, the costs to operate the dams far outweigh the value of the electricity produced. Paired with the decreased use of navigational channels, the dams are a burden on northwest ratepayers and U.S. taxpayers.

The economic analysis further looks at the regional economic benefits from an increased tourism economy resulting from a free-flowing river in the counties surrounding the Lower Snake River. In the first few years following dam breaching, it is estimated there will be \$500 million in consumer expenditures related to outdoor recreation, the majority of which coming from outside the region. The economic models clearly show that these expenditures will support and create jobs, generate tax revenue, and boost incomes. This economic activity will contribute to nearly 150 industry sectors, many of which are not directly related to the recreation industry. Dam advocates often state that the dams provide jobs to the regional economy, however this analysis finds that the increased recreation spending from dam breaching will support 4,000 jobs within the region

“The Lower Snake River once hosted some of the most plentiful salmon runs in the world. Since the dams were built, we have seen the severe depression of wild salmon populations, all while spending billions of dollars on salmon mitigation. These salmon are part of our heritage. With mounting evidence pointing towards the genetic extinction of the wild salmon runs, the people of the northwest have a right to know if it is truly in their best interest to keep the dams.” says Johnny Mojica, Research Analyst at Earth Economics, and co-author of the report.

This report is targeted not only to those who have the capability to influence policy, budgets, and priorities for water and natural resource management, but also the people of the Pacific Northwest. Being informed of the economic benefits and costs of the dams will improve decision making and garner public support.

The work is already being used to advise President Obama, Jo-Ellen Darcy - Assistant Secretary of the Army for Civil Works, the Center for Environmental Quality, and other leaders within the Washington D.C. federal agency family. Next, Earth Economics will reach out to inform and request support from Governor Inslee, Senators Cantwell and Murray, and local legislators in Washington, Idaho, and Oregon.

"This report by Earth Economics shows conclusively that had the Corps' Walla Walla District and Northwest Division followed the USACE Policy and Planning guidance they would have come to the conclusion that the four Lower Snake Dams are an economic burden to the country and therefore needed to be breached. The regional divisions however "cherry picked" the guidance and their own data to show that the dams were of exceptional value to the Nation thus misleading the American people, elected officials and Federal Agency leadership in the Nation's Capital that breaching these four dams would be an economic disaster. This pattern of erroneous information has been misleading the tax and rate payers of the Pacific Northwest since 1947 and continues to this day, resulting in the loss of 3-4000 recreational jobs each year, mostly in eastern Washington and of billions wasted pursuing non-breach remedies with no benefit to salmon, orca and other dependent species" Jim Waddell, P.E., Retired USACE

The full report can be viewed [here](#).

For more information on Earth Economics and its work on the Lower Snake River dams, visit www.eartheconomics.org.

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